

**MINUTES OF THE CHESHIRE TOWN COUNCIL BUDGET COMMITTEE
MEETING HELD ON TUESDAY, MAY 8, 2012 AT 7:00 P.M. IN ROOM 207,
TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

David Schrumm, Chairman; Michael Ecke and Thomas Ruocco
Assistant Town Manager Louis Zullo; Finance Director James Jaskot; Deputy
Finance Director Gina Defilio; Town Attorney Dwight Johnson; Robert Ceccolini,
Parks and Rec Director; Ramona Burkey, Library Director; Arnett Talbot, Exec.
Assistant to Town Manager; Vincent Masciana, Director of Management
Services, BOE.

1. ROLL CALL

The clerk called the roll and a quorum was determined to be present.

2. PLEDGE OF ALLEGIANCE

The group Pledged Allegiance to the Flag.

3. Amendments to restrictions on Annie E. Peck and Julia M. Tompkins
Funds.

Attorney Johnson stated that the Tompkins Fund was to support the Library and
the Peck Fund was to support education. One of the changes is the issue of
who has control of the funds. The Town controls the funds.

In 1992 there was a Council resolution regarding the investment and income
from these funds and Mr. Schrumm read the motion into the record of the
meeting. In January 2012 the Council received data on the growth of the funds
in dollars. This money is not co-mingled with Town funds and is put with an
investment advisor, and has grown to \$787,000 for the Peck Fund and \$114,000
for the Tompkins Fund. He said we are now back to co-mingling with regular
cash.

According to Mr. Jaskot the funds were never co-mingled with operating cash,
and were invested outside of our operating cash. This money is a gift to the
Town, similar to the Elim Park gifts.

Attorney Johnson said the Town benefited by non-compliance with
State law, and the only way to change is to get the law changed. It is possible
the legislature would agree that gifts to municipalities can be invested more
aggressively. If the funds are put in the CNR account, the Town can invest up to
31% in equities.

Mr. Jaskot said there is \$1 million in CNR at any given time, and taking 31%
means \$300,000 vs. \$1 million. He has concerns about investing in equities if
money is needed for a project, and the market takes a dip. He said the State

should liberalize the law especially if a Town can only spend the dividend or income.

Mr. Schrumm stated that co-mingling these funds with CNR does not make sense.

Attorney Johnson said that if someone makes a gift to the Town and imposes restrictions that only income can be used, the average donor has no clue about this being only 2% or 3% of the fund being used. There is no restriction on the amount which can be used from these funds.

It was stated by Mr. Jaskot that these funds are in the General Fund Investment Pool, and until December 31st, they were invested in equities. The value of the funds at this time are \$787,080 for the Peck Fund, and \$114,068 for the Tompkins Fund.

Attorney Johnson said the question is whether more money can be taken out of these funds. He discovered, with respect to one of the funds benefiting the school system, it was unclear what school system was benefited. In the course of analysis it was discovered this is not one of the exceptions under State law which permits investing more aggressively than the general fund. He spoke with the auditors and they agreed with the legal conclusion. A probable exemption would be with pension funds.

Mr. Masciana said there must be several investments, ie. C.D's or Treasuries.

According to Mr. Jaskot you cannot get more than 0% to 05% from these type of investments.

The question was raised by Mr. Schrumm about changing these funds into endowment funds, or just spend the money, or done out some of the money as we go along. He said it would be nice to have a true endowment.

With respect to endowment funds, Mr. Jaskot said there could be guidelines in place which are flexible for this type of fund.

Ms. Burkey addressed the committee on the need for more funds for the Library project and RFID. The bids came in higher than expected, and all the carpeting on the first floor of the Library must be replaced. Ms. Burkey said she is looking for some decision on the ability to use the funds to maintain the Library, which is what they were bequeathed for.

Ms. Talbot stated that until restriction decisions are made there can be no distribution of the funds. This matter can be on the Council agenda for May 22nd.

Another restriction on the Tompkins Fund was noted by Ms. Burkey who said it was using the money for purchase of books for the Library. She is not sure whether there must be approval from the Council to use funds for maintenance.

Ms. Flynn-Harris said that this fund was interpreted so that the Library could only get interest. The money was requested each year to supplement the book fund. This is why the question came to the Town Attorney to please review these restrictions and an endowment.

At this time the Library needs \$35,000 for the new carpeting, and the bids came in \$40,000 higher than expected. Ms. Burkey said she is looking at other sources of funding as well as the Tompkins Fund.

Mr. Schrumm noted the Library needs \$75,000, and he expects this matter will be on the May 22nd Council agenda.

Attorney Johnson explained that the Council adopted restrictions, by resolution, so if they want to spend more income they must adopt a new resolution. The Council could then approve funds for the two Library projects.

Mr. Jaskot commented on the fact that no one managed the stocks and there was reluctance by the custodian of our pension to manage these funds.

4. Correction of December 2011 acceptance and appropriation of \$225.55 In proceeds from the Youth Services Peace Jam Program; said amount Is appropriated to the Youth Services Gift Account to support youth Activities.
5. Acceptance and appropriation of a \$50 donation from Jonathan and Greta Jones in memory of Stanley Siesicki to the Library Gift Account For Library materials, furniture and computers.
6. Acceptance and appropriation of a \$100 anonymous donation in memory of Stanley Siesicki to the Library Gift Account for Library materials, furniture and computers.
7. Acceptance and appropriation of a \$100 donation from Michael Ballato In memory of Helen Gaines Clark to the Library Gift Account for Library materials, furniture and computers.
8. Acceptance and appropriation of the annual Connecticut State Library Connecticut reimbursement in the amount of \$19,527 to be used for Library materials, furniture and computers.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to accept agenda items #4 through #8 and forward to the full Town Council for approval.

Discussion

Ms. Burkey informed the committee that for item #8, this reimbursement is smaller than last year by about \$8,000 due to a 22% reduction in the formula for reimbursement. The funds represent loaned items to other towns with reimbursement for implied taxes.

VOTE The motion passed unanimously by those present.

9. Community Pool Fees.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to accept agenda item #9 and forward to the full Town Council for approval.

Discussion

Mr. Ceccolini explained that last year the daily rates, programs, and rentals were increased, and this year the seasonal passes would increase by 10%. The last increase in these passes was in 2008.

VOTE The motion passed unanimously by those present.

10. Waiver of bid for pool bubble.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to accept agenda item #10 and forward to the full Town Council for approval.

Discussion

This waiver would lock in the vendor and price for the work for 3 years. Mr. Ceccolini commented on the excellent work of this vendor who is familiar with the pool structure, the new bubble, and was recommended by the bubble manufacturer. Town crews also have a good relationship with this vendor.

VOTE The motion passed unanimously by those present.

11. Cheshire High School Turn Field residual donations refund.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to accept agenda item #11 and forward to the full Town Council for approval.

Discussion

Mr. Masciana reviewed the summary on all of the funds appropriated for the turf project, project cost, and noted the balance to the committee is \$9,114. The project is fully completed with the exception of the running track which has a \$5,000 hold back from payment to RAD Sports.

VOTE The motion passed unanimously by those present.

12. Authorization to executer agreement with the State of Connecticut Department of Transportation for the design of the East Johnson Avenue Bridge Rehabilitation project.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to accept agenda item #12 and forward to the full Town Council for approval.

Discussion

The State must repair this bridge and will help with the design costs, and Mr. Schrumm said there is hope that the State will assist with funds to repair the bridge.

VOTE The motion passed unanimously by those present.

13. Authorization to execute three-year contract for pump station alarms.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to accept agenda item #13 and forward to the full Town Council for approval.

Discussion

Mr. Schrumm said this is a 3 year contract and Mr. Michaelangelo has a vendor for the pump stations.

VOTE The motion passed unanimously by those present.

14. Allocation of \$6,500 for open space land acquisition grant appraisals.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to accept agenda item #14 and forward to the full Town Council for approval.

Discussion

This is to confirm the motion made a few weeks ago on the grant requirement of two appraisals for land acquisition.

VOTE The motion passed unanimously by those present.

15. Award of contract for schools' flooring and asbestos abatement project.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to accept agenda item #15 and forward to the full Town Council for approval.

Discussion

The PBC has informed the Council that this is a \$270,000 allocation for asbestos abatement, flooring installation, and monitoring and testing in all the schools, for 31 classrooms. Quotes were received from all the DAS contractors for the asbestos removal and replacement of carpet with tiles. The abatement will be for asbestos or mastic used to hold down the carpets. This project is part of the capital budget.

VOTE The motion passed unanimously by those present.

16. Acceptance and appropriation of a \$7,000 donation from the Friends of Softball for the construction of dugouts at Cheshire High School Softball fields.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to accept agenda item #16 and forward to the full Town Council for approval.

Discussion

Mr. Masciana informed the Council that this project is completed and the dugouts look good. There was a capital appropriation of \$50,000, and Friends of Softball donated \$7,000 towards this project. The project solves some civil rights issues, and there are concrete walkways in compliance with ADA.

The check for \$7,000 was given to Mr. Jaskot.

VOTE The motion passed unanimously by those present.

17. ADJOURNMENT

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to adjourn the meeting at 7:28 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk